CANADA·SASKATCHEWAN
Crop Insurance

Annual Report
1983 - 1984

Saskatchewan
Crop Insurance
Corporation

Agriculture
Canada

Government of
Saskatchewan

Saskatchewan Crop Insurance Corporation

Tenth Annual Report

For the year ending March 31, 1984

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Regina, July 30, 1984

To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Saskatchewan Crop Insurance Corporation for the year ended March 31, 1984, including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by Treasury Board, all in accordance with the Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your Obed.ent Servant,

Gerald Muirhead

Gerald Muirhead
Minister-in-charge
Saskatchewan Crop Insurance Corporation

Regina, July 30, 1984

To the Honourable Gerald Muirhead
Minister-in-charge
Saskatchewan Crop Insurance Corporation
Regina, Saskatchewan

Sir:

Presented herewith is the Tenth Annual Report of the Saskatchewan Crop Insurance Corporation for the fiscal year ended March 31, 1984.

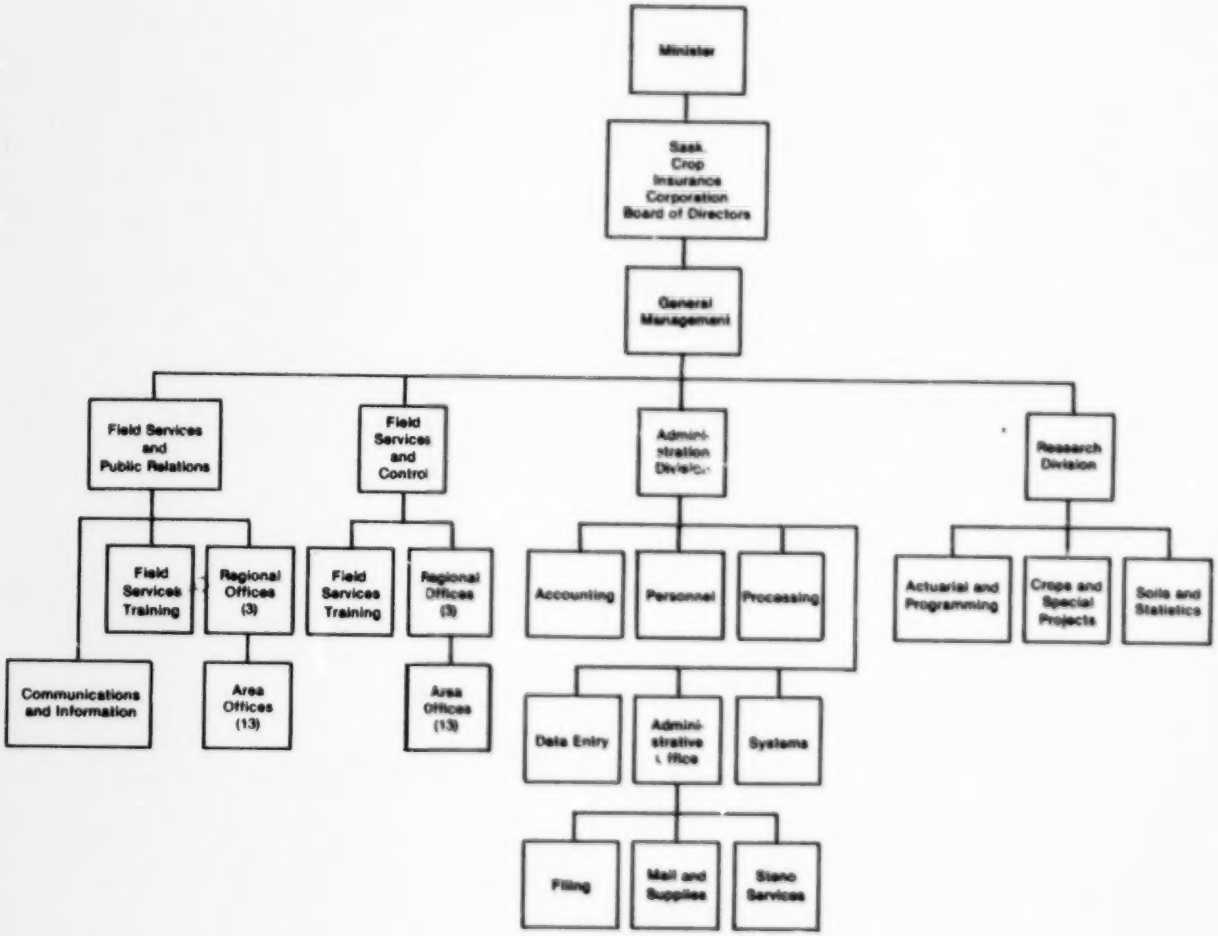
Respectfully submitted,

Saskatchewan Crop Insurance Corporation

W. D. Heenan
Chairman

Wayne Funk
General Manager

Organization Chart
Saskatchewan Crop Insurance Corporation



Objectives and organization

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 on March 29, 1974, pursuant to the Crown Corporations Act.

In carrying out the Canada-Saskatchewan Crop Insurance Program, the duties and powers of the Corporation are:

(a) to provide such services and facilities as may be required of the Corporation by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act, Revised Statutes of Saskatchewan, 1978, Chapter S-12 as amended;

(b) to provide such services of any officer or employee of the Corporation as may be required by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act;

(c) to provide such services and facilities, on a fee for service basis, as may be deemed to be in the public interest;

(d) to apply all revenues received by the Corporation against the operating expenses of the Corporation.

In its tenth year of operation the Corporation continued to provide its 43,000 insured farmers with the level of servicing which had been developed during the previous years. Systems and procedures were refined and considerable emphasis was placed on staff training.

Administration Division

1983 Crop Insurance participation

During the fiscal year the Corporation provided administrative services and staff required to service the Canada-Saskatchewan Crop Insurance Program. Participation in 1983 decreased to 43,000 premium-earning contracts as compared to 44,469 in 1982. Farmer protection in 1983 totalled $1,254,906,517 on 17,582,262 insured acres compared to $1,233,908,814 on 17,553,146 insured acres in 1982.

Indemnities paid to contract holders to cover losses in 1983 on insured crops totalled $105,243,197 for a loss to premium ratio of .92 as compared to $74,157,729 in 1982 for a loss to premium ratio of .64.

Indemnities paid as a result of spot-loss hail claims totalled $61,709,963 in 1983 compared to $40,124,797 in 1982.

Indemnities resulting from yield-loss claims totalled $43,218,799 for 1983 as compared to $33,238,174 in 1982.

Under the reseeding benefit, indemnities of $227,925 were paid out in 1983. In 1982, reseeding benefit indemnities totalled $775,710. A total of $86,510 was paid on unseeded summerfallow indemnities in 1983. This compares to unseeded summerfallow indemnities of $19,048 in 1982.

Field Services Division

Service to our customers being one of the critical elements needed to bring increasing success to the Crop Insurance Program, a structural change was effected in the former Field Operations Division.

A review of the functions of field operations resulted in the structural and name change to facilitate a re-emphasis of certain activities. Two positions, Director of Field Services and Public Relations and Director of Field Services and Control were established to combine the previous responsibilities of the Manager of Field Operations and Field Operations Training Supervisor.

Increased emphasis and responsibilities in the area of public relations and quality control in adjusting and information were the primary objectives of this delineation of functions. Increased involvement with critical aspects of all claims through monitoring, improvement of information services and liaison with regional and area offices were the primary objectives.

Information program

The Saskatchewan Crop Insurance Corporation conducted an extensive program to distribute information on the Canada-Saskatchewan Crop Insurance Program to the Saskatchewan farming community in 1983.

Radio spot announcements in June were used to remind all insured farmers of the final date for reporting seeded acres. Radio announcements were also used in October to remind insureds to submit claims within 15 days of completion of harvest.

Printed informational material was distributed on a regular basis to all agricultural representatives' offices, municipal offices and area offices. Regular newsletters to all insured farmers advised them of pertinent program information at specific times of the year.

News releases were prepared and released on a regular basis, announcing new programs and highlights to the farming community. In addition, Crop Insurance staff participated in radio interviews to publicize and promote the Canada-Saskatchewan Crop Insurance Program.

The 1983 Crop Insurance calendar highlighted all important Crop Insurance dates and program information, serving both an aesthetic and functional purpose.

Regional and area offices

The Canada-Saskatchewan Crop Insurance Program is serviced by six regional and 26 area offices located throughout the province. (See Appendix "A" and "B" for location and area serviced by each office.) The regional offices serve as area offices as well as being regional field supervisors' headquarters.

Area office locations

Regina	A01	Rosetown	D01*
Estevan	A02	Davidson	D02
Weyburn	A04*	Kindersley	D03
Carnduff	A05	Kyle	D05
Moosomin	A06	Outlook	D06
Wolseley	A07	Saskatoon	D07
Total number of contracts 8,754		Total number of contracts 8,119	
number of premium earning contracts 8,568		number of premium earning contracts 7,969	

Swift Current	B01*	Tisdale	E01*
Assiniboia	B02	Humboldt	E02
Gravelbourg	B03	Melfort	E03
Shaunavon	B04	Carrot River	E04
Leader	B05	Total number of contracts 3,983	
Moose Jaw	B06	number of premium earning contracts 3,867	
Total number of contracts 9,413			
number of premium earning contracts 9,284			

Yorkton	C01*	North Battleford	F01*
Canora	C02	Turtleford	F02
Preeceville	C03	Wilkie	F03
Raymore	C04	Prince Albert	F04
Melville	C12	Total number of contracts 5,257	
Total number of contracts 9,412		number of premium earning contracts 5,141	
number of premium earning contracts 9,144			

***Regional office also.**

Each region is under the supervision of a regional field supervisor. The supervisor is responsible for maintaining uniformity in all aspects of the Program in the field and assuring that contract service is carried out in an acceptable and timely manner. There is also one long-term fieldperson (100 days work guarantee) assigned to each of the six regions. Long-term fieldpersons in addition to loss adjusting work assist in training and customer relations. Each regional and area office is staffed by one permanent employee and each has a part-time clerk who can be called in during peak workload periods.

During the year 225 per diem fieldpersons, who were either local insured farmers or semi-retired farmers, were employed. In 1983 approximately 22 per cent of the insured farmers received assistance at the area offices or from per diem field staff in arranging their Crop Insurance Program for 1983. Field staff also accepted 1,854 applications for Crop Insurance.

During 1983, 618 waterfowl claims were adjusted under the Canada-Saskatchewan Waterfowl Crop Damage Compensation Program. This Program was administered by the Saskatchewan Crop Insurance Corporation.

Adjusters involved in crop-loss adjusting completed 1,121 partial pre-harvest adjustments, 691 total crop pre-harvest adjustments, and 12,788 post-harvest crop adjustments. There were 469 reseeding benefit and 43 unseeded summerfallow inspections completed. In addition there were 831 withdrawn claims, including seven unseeded summerfallow and 94 reseeding benefit.

Prior to harvest old grain measurements were carried out on 3,209 farms. Work on various types of crop adjustments entailed approximately 20,000 farm calls during 1983.

In addition, claims were submitted and indemnities were paid for spot-loss hail damage on 18,995 crops. Hail claims were adjusted by the Saskatchewan Municipal Hail Insurance Association.

Field procedural training meetings

The field training section conducted 25 procedural training meetings during the year. This included one meeting held with permanent and relief area office staff and two introductory training sessions held for new fieldpersons.

Head Office management met three times during the year with the regional field supervisors. The supervisors also met periodically with their fieldpersons, in addition to the meetings held by the field training section.

Type of Inspection	Region A	Region B	Region C	Region D	Region E	Region F	Total
Partial Pre-Harvest	234	154	190	132	212	199	1,121
Total Crop Pre-Harvest	125	114	103	124	123	102	691
Post Harvest	3,590	1,737	3,282	668	2,007	1,504	12,788
Reseeding Benefit	76	140	43	97	36	77	469
Unseeded Summerfallow	11	3	3	2	23	1	43
Total	4,036	2,148	3,621	1,023	2,401	1,883	15,112

Research Division

Program and policy development is the main function of the Research Division. Activities include development of actuarially sound programs, establishment and interpretation of a statistical data base, preparation of reports and conducting studies that are required for Program changes and implementation.

Coverage and premium rates

Long-term average yields for 1984 coverages were updated by including the 1982 average yields in the 15-year yield base. Inclusion of the 1982 yields generally resulted in overall increase in coverage for 1984 of about 4 per cent. Coverages increased on all crops except oats and fababeans, which remained unchanged. Coverage increases ranged from 2 per cent for rapeseed to a high of 20 per cent for canary seed. Coverages for wheat increased by almost 4 per cent, for barley by 3 per cent and for flax by 5 per cent. The minor crops experienced significant increases in coverage ranging from 8 per cent to 20 per cent.

Yield data showed that stubble yields for field peas and lentils had increased relative to summerfallow yields. Summerfallow and stubble coverages were adjusted to reflect these yield trends.

Yield reports from rapeseed producers were analyzed to confirm if present coverages for each soil class were adequate. The data showed that increases in coverage were warranted on the more productive soils relative to coverages for the less productive soils. Adjustments in soil class coverages were made, based on these yield reports.

Premium rates for 1984 were established by incorporating the 1982 loss-cost into the 25 year moving average base. Loss experience in 1982 was unfavourable. Approximately 65 per cent of total premiums were paid out through indemnities. This compares to the cumulative loss ratio of .83 to the end of that year. On a crop basis, provincially, premiums exceeded indemnities in all crops except rapeseed, field peas, lentils and fababeans. Indemnity to premium ratios ranged from .17 on sunflowers to 2.83 on fababeans. On a Risk Area basis, total indemnities exceeded total premiums in Risk Areas 17, 18, 21 and 22. Indemnity to premium ratios ranged from .28 in Risk Area 8 to 1.39 in Risk Area 21. The net effect of premium rate revisions was a marginal reduction for 1984.

Premium rates and coverages for crops grown under irrigation, and for unseeded summerfallow coverage, remained unchanged.

Price options

Price options for 1984 crop year were reviewed. Two major criteria are used when determining price options: 1) current price option levels relative to expected market returns; and 2) dollar coverages per acre as compared to cash costs of production.

Projected world supplies indicated that 1984 returns would not increase for the cereal crops while the outlook for oilseeds was favourable. Consequently price options remained unchanged for cereals while modest increases occurred on rapeseed, flax, sunflowers and mustard. Reductions were made in lentils and canary seed.

Quality adjustment factors

Quality adjustment factors are used to reduce production to the base grade equivalent when grain quality is reduced due to uncontrollable hazards. Factors for the 1983 crop changed only marginally for most crops, reflecting stable price relationships between lower grades and the base grade. For rapeseed and some of the specialty crops, significant changes in factors occurred, reflecting low market prices for off-grades.

The base (average) grade marketed for the major crops was reviewed. This resulted in a base grade change from #3C.W.A.D. to #2C.W.A.D. for Durum Wheat, to be effective for the 1984 season.

Forage insurance

The first year of operation for the weather-based forage insurance program was 1983.

This weather-based approach differs from the normal production-based program in that precipitation, temperature and hours of sunlight are measured to determine payout. More importantly, management influences are not a factor. Precipitation is measured during the growing season and compared to long-term average rainfall. These results, together with soil moisture at the beginning of the growing season, and daily temperatures, are incorporated into a model which then simulates plant growth to arrive at the indemnity payable.

There were 180 producers participating in the 26 R.M.'s included in the pilot area. About 15,000 acres were insured. Rainfall during the growing season was at 55 per cent of the long term average. This resulted in a loss to premium ratio of 2.

Insurance on new crops

Winter wheat - Acreage of winter wheat has expanded significantly. Production practices have advanced to the stage where good success has been achieved in overcoming the risk of winterkill through stubble cropping, high fertility levels and other agronomic considerations. An insurance program was developed for winter wheat, to be effective for the crop seeded in 1984. The program will recognize the need to provide adequate coverage for winter survival.

Soft white spring wheat - Research was carried out on this crop which is grown almost exclusively under irrigation. It is of low protein and is used in the making of pastries, crackers and other related products. Soft white spring wheat yields are significantly higher than red spring wheat. This makes soft white spring wheat a desirable alternative from a production perspective. A program for insurance of soft white spring wheat will be in place in 1985.

Studies and Reports

Other major studies and reports:

• Individual Coverage as an option to the present area coverage was considered further. Producer input was obtained through public meetings and a survey questionnaire. Progress was made in establishing guidelines on how the option should be offered.

• The Experience Discount feature provides reductions in premiums to those insureds who have proven to be favourable risks. Under this feature, premiums can be reduced to 50 per cent of base premiums. Based on claims history, the discount schedule can fluctuate significantly following a series of losses. Several revisions to the schedule were reviewed that would allow less abrupt changes following several losses.

• Development of an insurance program for pedigreed seed progressed. Costs of production of pedigreed seed relative to costs of commercial production were completed based on a producer survey.

• High rainfall in the Northeast during the planting season resulted in income loss to those growers who were unable to seed because of excess moisture. At present there is protection available against the inability to seed summerfallow only. Major trends towards extended rotations and continuous cropping have occurred especially in the dark-brown and black soil zones. With these trends is a need to provide insurance for seeding. The unseeded summerfallow option was reviewed with the objective of revising it to include all acres intended for seeding.

• Development of insurance on sweetclover grown for fodder was initiated.

• As with cereals, establishment of a productive forage stand can carry a significant risk. The feasibility of providing a benefit to cover risks of forage establishment was investigated.

• The Wheat Midge infestation in the Northeast caused significant crop loss. Acres most severely affected were not carried through to harvest and had to be adjusted on a pre-harvest basis. Adjusting procedures were developed which provided guidelines on estimating yield loss based on kernel infestation.

Summary

In carrying out these activities on behalf of the Saskatchewan Crop Insurance Board, the Corporation spent approximately $6.3 million, or $147.02 per contract. During 1984, the Corporation will continue to strive for efficiencies in servicing farmers who are insured under the Canada-Saskatchewan Crop Insurance Program through management of administrative and financial control functions.

Saskatchewan Crop Insurance Corporation
Financial statements
for the year ended March 31, 1984

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Statement 2 — Statement of revenue and expenditure
Statement 3 — Statement of changes in financial position
Statement 4 — Statement of amount due to Minister of Finance
Notes to financial statements

Saskatchewan Crop Insurance Corporation

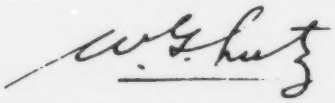
Auditor's report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 1984 and the statements of revenue and expenditure, changes in financial position and amount due to Minister of Finance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies described in Note 1, applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 27, 1984.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Crop Insurance Corporation
Balance sheet
as at March 31

Statement 1

	1984	1983
Assets		
Current assets:		
Bank	$ ——	$ 85,312
Investments - at cost	550,000	199,557
Inventory	32,02[illegible]	45,921
Accounts receivable	39,809	74,919
Prepaid expenses	17,113	12,194
	638,944	417,903
Fixed assets:		
Office and field equipment — at cost	240,208	193,652
	$879,152	$611,555
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued liabilities	$249,332	$178,438
Bank overdraft	30,510	——
	279,842	178,438
Due to Minister of Finance (Statement 4) (Note 4)	359,102	239,465
Equity in fixed assets	240,208	193,652
	$879,152	$611,555

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of revenue and expenditure
for the year ended March 31

Statement 2

	1984	1983
Revenue		
Province of Saskatchewan	$6,253,830	$5,779,290
Interest on investments	102,357	163,202
Adjusting waterfowl and wildlife damage and lure crops	38,627	41,798
Miscellaneous	46,822	40,660
	6,441,636	6,024,950
Expenditure:		
Salaries	3,376,444	3,281,171
Adjusting hail claims	912,018	880,320
Travel and sustenance	495,533	493,113
Office rental	313,327	289,215
Employee benefits	282,832	257,251
Computer and analyst services	238,381	220,419
Postage	191,827	165,915
Telephone	81,124	45,901
Legal and professional fees	80,337	45,184
Advertising	71,274	40,777
Office supplies	69,041	94,735
Printing and duplicating	63,928	43,806
Board members — honorarium and travel	36,164	19,128
Inspection fees	30,096	54,555
Repairs, addressograph and other services	13,004	10,981
Freight and messenger services	12,262	12,851
Equipment rental	7,851	7,046
	6,275,443	5,962,368
Excess of revenue over expenditure, before equipment purchases	166,193	62,582
Equipment purchases (Note 1)	46,556	8,972
Excess of revenue over expenditure for the year (Statement 4)	$ 119,637	$ 53,610

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of changes in financial position
for the year ended March 31

Statement 3

	1984	1983
Funds derived from:		
Excess of revenue over expenditure, before equipment purchases	$166,193	$62,582
Changes in working capital		
(Increase) in investments	(350,443)	(99,557)
Decrease (Increase) in accounts receivable	35,110	(61,235)
Decrease in inventory	13,899	40,753
Decrease (Increase) in prepaid expenses	(4,919)	39,321
Increase in accounts payable and accrued liabilities	70,894	66,669
	(235,459)	(14,049)
Total funds generated (used)	(69,266)	48,553
Funds applied to:		
Equipment purchases	46,556	8,972
Increase (Decrease) in funds	(115,822)	39,561
Bank balance, beginning of year	85,312	45,751
Bank balance, end of year	$ (30,510)	$85,312

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of amount due to Minister of Finance
for the year ended March 31

Statement 4

	1984	1983
Balance, beginning of year	$239,465	$185,855
Plus excess of revenue over expenditure	119,637	53,610
Balance, end of year (Note 4)	$359,102	$239,465

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Notes to financial statements
March 31, 1984

1. Significant Accounting Policies

a) Revenue of the Corporation includes sums appropriated by the Legislature and received from the Department of Agriculture for administration.

b) The Saskatchewan Crop Insurance Corporation utilitzes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in Fixed Assets". As asset purchases and sales appear in the statement of revenue and expenditure, no provision is made for depreciation on fixed assets.

c) The office supplies on hand at the end of the year are valued at cost. The Corporation has adopted the first in, first out method of cost determination for valuation purposes.

2. Status of Corporation

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 on March 29, 1974 and continues under The Crown Corporations Act, 1978.

The purpose of the Corporation is to administer the operations as may be required by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act.

3. Commitments

The Corporation is committed to lease payments for office premises totalling approximately $318,614 annually. The amount and space requirements may be subject to change from time to time.

4. Due to Minister of Finance

This represents the accumulation of funds received from appropriation in excess of the Corporation's requirement for administration.

5. Contingencies

The Corporation is being sued for damages by its former employees. The management has determined that estimate of loss cannot be made at present. The Corporation intends to account for the settlements, if any, in the period in which these actions are resolved.

6. Subsequent Event

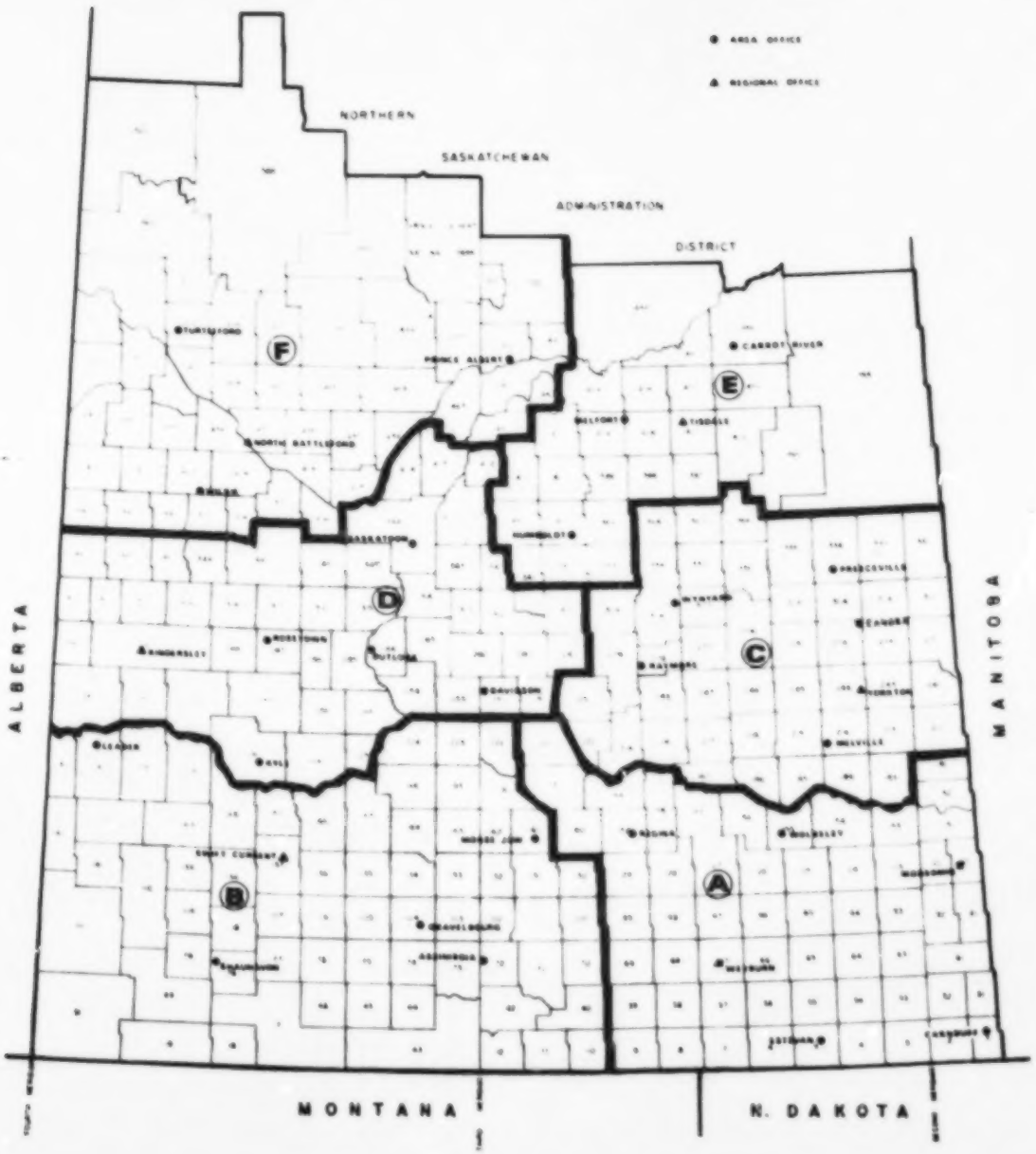
The Crop Insurance Act was assented to on June 1, 1984 and consequently the Saskatchewan Crop Insurance Act will be repealed upon proclamation of The Crop Insurance Act. Once proclaimed all property rights, obligations, and any legal proceedings or actions of the Saskatchewan Crop Insurance Board which are presently recorded in the accounts of the Board or commenced by the Board will be transferred to the Saskatchewan Crop Insurance Corporation. The Saskatchewan Crop Insurance Fund will be administered by the Corporation.

Appendix A

Saskatchewan Crop Insurance Board

Field supervisor regions

Area office locations



Appendix B

Saskatchewn Crop Insurance Board

Area office regions

A01 — REGINA
A02 — ESTEVAN
A04 — WEYBURN
A05 — CARNDUFF
A06 — MOOSOMIN
A07 — WOLSELEY

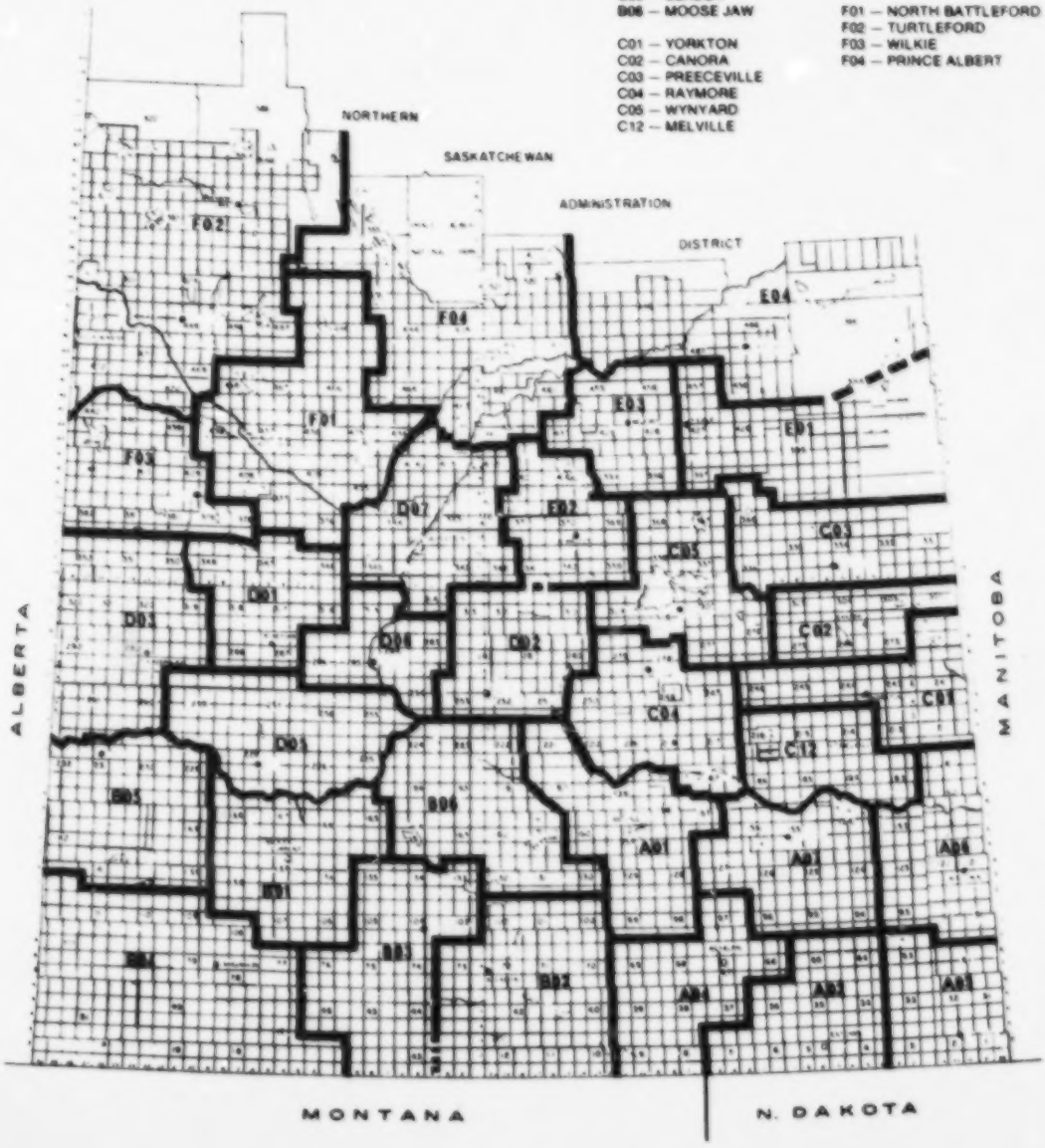
B01 — SWIFT CURRENT
B02 — ASSINIBOIA
B03 — GRAVELBOURG
B04 — SHAUNAVON
B05 — LEADER
B06 — MOOSE JAW

C01 — YORKTON
C02 — CANORA
C03 — PRECEVILLE
C04 — RAYMORE
C05 — WYNYARD
C12 — MELVILLE

D01 — ROSETOWN
D02 — DAVIDSON
D03 — KINDERSLEY
D05 — KYLE
D06 — OUTLOOK
D07 — SASKATOON

E01 — TISDALE
E02 — HUMBOLDT
E03 — MELFORT
E04 — CARROT RIVER

F01 — NORTH BATTLEFORD
F02 — TURTLEFORD
F03 — WILKIE
F04 — PRINCE ALBERT



Saskatchewan Crop Insurance Board

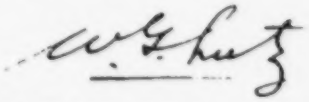
Auditor's report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Crop Insurance Fund as at March 31, 1984 and the statement of revenue, expenditure and balance of Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 21, 1984.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Appendix C

Saskatchewan Crop Insurance Board
Insurance Fund
Financial statements
for the year ended March 31, 1984

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Statement 1 — Balance sheet
Statement 2 — Statement of revenue, expenditure and balance of Fund
Notes to financial statements

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Balance sheet as at March 31

Statement 1

	1984	1983
Assets		
Cash (Bank overdraft)	$ 222,476	$ (32,276)
Investments maturing within one year	2,600,000	13,348,261
Accounts receivable — Government of Canada	1,651,997	2,649,457
Interest receivable	685	46,797
Premiums receivable (less allowance for doubtful accounts: 1984 - $1,274,247; 1983 - $1,011,993)	2,043,542	1,833,045
	$6,518,700	$17,845,284
Liabilities and Fund balance		
Indemnities payable	$ 886,719	749,517
Due to Crop Reinsurance Fund of Saskatchewan	5,380,027	794,837
Due to Crop Reinsurance Fund of Canada for Saskatchewan	251,954	397,418
Balance of Fund (Statement 2)	—	15,903,512
	$6,518,700	$17,845,284

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Statement of revenue, expenditure and balance of fund year ended March 31

Statement 2

	1984	1983
Revenue		
Gross premium less discounts — insureds (Note 4)	$56,017,456	$56,458,215
Government of Canada contribution	55,620,789	56,364,777
	111,638,245	112,822,992
Less: Premiums ceded		
— Crop Reinsurance Fund of Canada for Saskatchewan	8,344,482	8,454,716
— Crop Reinsurance Fund of Saskatchewan	16,686,237	16,909,433
	25,030,719	25,364,149
Net Premium	86,607,526	87,458,843
Reinsurance claims received	121,230	—
Interest	1,901,100	1,955,250
Interest on overdue accounts	1,094,327	1,118,576
Penalty and surcharges	—	58,153
Total revenue	89,724,183	90,590,822
Expenditure:		
Indemnities — yield (including unseeded sumerfallow and reseeding benefit)	43,533,235	34,032,932
— spot loss hail	61,709,962	40,124,797
Provision for doubtful accounts	384,498	529,581
Total expenditure	105,627,695	74,687,310
Excess of revenue over expenditure (expenditure over revenue)	(15,903,512)	15,903,512
Balance of Fund, beginning of year	15,903,512	—
Balance of Fund, end of year (Statement 1)	$ —	$15,903,512

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Notes to financial statements
March 31, 1984

1. Accounting Policies

Investments

Short-term investments are recorded at cost which approximates market value.

Indemnities Payable

The provision for indemnities payable includes the cost of indemnities reported and processed but not paid and an estimate, based on the average loss for crops suffering the same type of damage, for those indemnities that had been reported but not processed at year-end. The amount of the estimate is $186,999 (1983 - $274,775).

Costs Borne by Other Agencies

The Board has not been charged with any occupancy costs, accounting or administrative services. These costs have been borne by the Saskatchewan Crop Insurance Corporation.

Cost Sharing

(a) Contributions

In accordance with the 1976 agreement between the Government of Canada and the Province of Saskatchewan, the Government of Canada has agreed to reimburse the Province for the contributions it has made to the Fund in accordance with the terms of The Crop Insurance Act (Canada). The reimbursements received from Canada are deposited in the Consolidated Fund.

Section 9(2) of The Saskatchewan Crop Insurance Act provides that the Minister of Finance of the Province of Saskatchewan may pay out of the Consolidated Fund into the Saskatchewan Crop Insurance Fund in each fiscal year contributions not exceeding the total of the amounts that insured persons have paid as premiums in respect of contracts of insurance in that fiscal year. Premiums paid for the purposes of this calculation are net of discounts and exclude interest, surcharges and penalties.

For the financial statement purposes contributions from Consolidated Fund are described as contributions from the Government of Canada and amounts due on the final claim as accounts receivable from the Government of Canada.

(b) Reinsurance Funds

Section 17 of The Saskatchewan Crop Insurance Act provides that the Minister of Agriculture may enter into an agreement with the Government of Canada to provide for payment by the Government of Canada, of a part of sums for which the Board may become liable in respect of claims for losses insured against under the Act and provides that a payment by the Board to the Government of Canada of a part of premiums received in respect of crop insurance, may be made. In accordance with this section, a Crop Insurance Agreement dated April 2, 1976 between the Governments of Saskatchewan and Canada provides for the establishment of two reinsurance funds:

(i) The Crop Reinsurance Fund of Saskatchewan — to be administered by the Government of Saskatchewan, and

(ii) The Crop Reinsurance Fund of Canada for Saskatchewan — to be administered by the Government of Canada.

Under the terms of the agreement the Saskatchewan Crop Insurance Fund is required to pay premiums ceded into the reinsurance funds based on premiums

received during that insurance year including the matching contributions made by the Province.

Per the agreement, payments may be made out of the Crop Reinsurance Funds under the following conditions:

(1) Indemnities required to be paid in an insurance year would have to exceed the aggregate of:

   a) the premium receipts for the year less reinsurance premiums ceded

   b) the balance in the Saskatchewan Crop Insurance Fund

   c) 2½ percent of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

(2) The balance of indemnities to be paid would be shared 75 percent by Canada and 25 percent by Saskatchewan out of the respective Reinsurance Funds.

2. Status of Board

The Saskatchewan Crop Insurance Board was established pursuant to The Saskatchewan Crop Insurance Act, 1960 and continues under the provisions of The Saskatchewan Crop Insurance Act.

3. Balance of Crop Reinsurance Funds

Crop Reinsurance Fund of Canada for Saskatchewan

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1984 was $80,653,242 and the comparative figure as at March 31, 1983 was $72,158,222.

Crop Reinsurance Fund of Saskatchewan

The balance in the Crop Reinsurance Fund of Saskatchewan as at March 31, 1984 was $46,498,091. The comparative figure as at March 31, 1983 was $29,933,084.

4. Discounts

Discounts allowed during the year, with comparative figures for 1983, were as follows:

	1984	1983
Experience	$4,902,033	$4,221,115

5. Contingencies

The Board is the defendant to several unresolved insurance claims. The Board has provided for these claims in accordance with the advice received from legal counsel. The Board intends to account for any differences which may arise, between the amounts provided and amounts expended, in the period in which the claims are resolved.

6. Subsequent Event

The Crop Insurance Act was assented to June 1, 1984 and consequently the Saskatchewan Crop Insurance Act will be repealed upon proclamation of The Crop Insurance Act. Once proclaimed all the property, rights and obligations, and any legal proceedings or actions of the Saskatchewan Crop Insurance Board which are presently recorded in the accounts of the Board or commenced by the Board will be transferred to the Saskatchewan Crop Insurance Corporation.